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2. REDUCTION IN MANPOWER

I do not feel that the Agency can delay much longer making a decision in regard to its size. During the last twelve months approximately [REDACTED] more persons have entered on duty. At present we have nearly [REDACTED] more employees in Washington than can be accommodated in the new building. At our present rate of growth the disparity will be even greater by the time the building is completed. Illustrative of the increases during the past year have been the Photographic Interpretation Division, the expanded ELINT staff, increases in the WH Division, and now projected increases in [REDACTED] division. I do not dispute, necessarily, the justification for these increases. But I do feel most strongly that the day is here or past when the Agency will have to give up lower priority tasks in order to do new jobs.

The Agency will be under pressure during the 85th Congress from the Davis Committee in the House to justify its size and, most particularly, why it grew larger. We may also have questions from Armed Services and Appropriations. I am also of the opinion that the President will be exercising pressure to keep the size of the Agency down. He most certainly will demand that the intelligence community as a whole grow no larger.

As you know, I have felt for a long time that by certain organizational changes and better supervision we could do the same job with fewer people. I still believe this and believe that the numbers in Washington must either be stabilized at the present size or reduced.

The following action is recommended:

- (1) That you set a figure as to the maximum size of the Agency with an indication of precisely how many employees will

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be allowed in Washington. (I see no reason why the Agency cannot continue to grow overseas, but only as rapidly as the development of unofficial cover will permit.)

(2) That the number of employees which you determine should be allowed in Washington coincide precisely with the number of employees that can be housed in the new building, and that if our present size is greater than this number, an Agency-wide phase-down plan be attempted.

(3) That one central focal point be established to review on an Agency-wide basis any increase in size and be charged with making the final recommendations to you; e.g., an Executive Director, perhaps after a review by the Project Review Committee.

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